

# **FISCAL NOTE**

## **SB 1139 - HB 1241**

March 15, 2007

**SUMMARY OF BILL:** Enacts the "Property Tax Refund Act" which provides for a redistribution of revenue to taxpayers from surplus property tax collections according to the formula provided by the Act.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Increase Local Govt. Expenditures – Exceeds \$100,000\***

**Other Fiscal Impact – There will be a decrease in local government revenues based upon the provisions of the bill. The magnitude of such decrease will vary each year according to the amount of surplus property tax revenue statewide. Due to such unknowns, quantification of the precise decrease is difficult but is estimated to exceed \$1,000,000 statewide.**

Assumptions:

- An increase in state expenditures for to remit payments to local governments. Such increase is estimated to be not significant.
- An increase in local government expenditures for computer programming and other administrative functions required to implement the provisions of the bill. Such increase is estimated to exceed \$100,000.
- A decrease in local government revenues due to the refund of property taxes according to the provisions of the bill. Such decrease is estimated to exceed \$1,000,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

**SB 1139 - HB 1241**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director